



January 27, 2004

Medical billing company to pay U.S. \$454,800 for questionable ambulance runs by Burrillville Ambulance & Rescue

Lighthouse Medical Management, Inc., a Providence-based medical billing company, has agreed to pay the United States \$454,800 to settle a dispute over questionable ambulance runs made by one of its clients, **Burrillville Ambulance and Rescue Association (BARA)**. The government has a civil complaint pending against BARA and its former commander, **Dale Allen**, alleging that BARA billed Medicare for ambulance trips that were medically unnecessary.

The Office of the United States Attorney, Joseph Moraski, Special Agent in Charge of the Regional Office of the Department of Health and Human Services (HHS), Office of Inspector General, and Kenneth W. Kaiser, Special Agent in Charge of the Boston Field Office of the Federal Bureau of Investigation, jointly announced a settlement agreement reached with Lighthouse Medical Management (LMM). The settlement amount represents twice the total losses – \$227,400 – that the government claims in its suit against BARA and Allen.

Dialysis patients

The issue at the core of the agreement is the submission by Lighthouse of claims to Medicare for ambulance services BARA provided to Medicare patients. In the agreement, the United States alleges that certain BARA claims for ambulance services submitted to Medicare by Lighthouse “falsely represented that patients receiving routine dialysis treatment were eligible for reimbursement by Medicare for ambulance transportation to and from dialysis...” The trips in question occurred between January 1998 and January 2002.

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Under Medicare rules, only medically necessary ambulance trips are eligible for Medicare reimbursement. Routine dialysis transports are considered non-emergency and therefore are not eligible for reimbursement. The government alleges that, as a result of the false claims, Lighthouse management and BARA received Medicare funds to which they were not entitled.

The agreement was negotiated between the parties and does not stem from any formal civil complaint or court action. The government and Lighthouse Medical Management stipulate that the agreement does not constitute an admission of wrongdoing on the part of Lighthouse.

Corporate Integrity Agreement

In conjunction with the settlement agreement, Lighthouse entered into a Corporate Integrity Agreement with the HHS Office of Inspector General to promote compliance with Medicare regulations. That agreement requires certain concrete steps by Lighthouse to ensure that its “officers, directors, employees, contractors, and agents” are fully aware of and comply with those regulations.

BARA

The civil complaint against BARA and Allen was filed in July 2003. After BARA failed to answer the complaint, the government filed a motion for a default judgement, in which the government claims losses of \$227,400. Under the False Claims Act, which is the basis for the complaint, the government can seek three times the amount of losses suffered through false claims. Allen has received several extensions for his answer, which is now due January 30.

Assistant U.S. Attorney Lisa Dinerman, the District’s Affirmative Civil Enforcement Attorney, and Assistant U.S. Attorney Luis M. Matos negotiated the agreement for the government.